

## **REMARKS**

The Applicant has filed the present Response in reply to the outstanding Official Action of June 3, 2005, and the Applicant believes the Response to be fully responsive to the Official Action for the reasons set forth below in greater detail.

At the onset, Applicant would like to thank the Examiner for indicating that Claims 1-23 are allowed and that Claims 25-27 have allowable subject matter and would be allowable if rewritten in an independent form including all of the limitations of the base claim and any intervening claims. Additionally, Applicant notes that Claims 11 and 24 have been amended to overcome the Examiner's objection. The typographical errors have been fixed. No new matter has been added.

In the outstanding Final Official Action, the Examiner rejected Claim 24 under 35 U.S.C § 102(e) as being anticipated by Rhoads, cited in the previous Official Action.

Applicant respectfully disagrees with the Examiner's rejection of Claim 24 and traverses the rejection with at least the following reasons.

Applicant submits that the claimed invention is structurally and functionally different from Rhoads. Specifically Applicant submits that Rhoads fails to teach "selecting either the first data or third data; counting a number NA of times selection is made at said selecting and a number of N3 of times the third data is selected; and adjusting the insertion degree, based on at least one of the first data or third data," as recited in the claim.

The Examiner cites that counting all the bits on the images is required in a re-watermarking process as a teaching that anticipates the claim language. The Examiner also asserts that the

numbers of encoded bits are also counted because ensuring the encoded data are approximately equally detectable requires averaging the signal-to-noise ratio for each encoded bit. Finally, the Examiner asserts that the insertion degree is adjusted based on at least one of the numbers  $N_A$  and  $N_3$  that is counted.

However, Rhoads does not teach the claimed features. Rhoads describes a process for testing or assessing the robustness of the mark and adjusting the strength via a re-watermarking operation. The reference states that the test is important when encoding multiple bit watermarks, the characteristics of the underlying content may result in some bits being more robust. The test is performed based upon a confidence measure (e.g., signal-to-noise ratio) associated with each detected bit. Any bit that is weakly encoded is identified and corresponding changes are made to the watermarking parameters to increase the relative strengths of these bits. The object is then re-watermarked using the new parameters. This process can be repeated until all of the bits comprising the encoded data are approximately **equally detectable from the encoded object or meet some predetermined signal-to-noise ratio threshold**. The process does not require two separate counters as the Examiner suggests. Additionally, the adjustment made to the encoded bits is not based upon the counted numbers. The adjustment in Rhoads is either based upon a predetermined signal-to-noise ratio threshold value or a relative signal-to-noise ratio. Neither of these values is based upon the number  $N_A$  of times the first data is selected or a number of  $N_3$  of times that the third data is selected.

In stark contrast, the claimed invention selects either the first data or third data; counts a number  $N_A$  of times that the first data is selected and a number  $N_3$  of times that the third data is selected and adjusts the insertion degree, based on at least one of the counted values  $N_A$  or  $N_3$ .

The counted numbers in the claimed invention are number NA of times data selection is made and number N3 times third data is selected, as opposed to Rhoads in which all the bits in the image are counted.

Consequently, the claimed invention is patentably distinct from Rhoads, as the reference fails to teach or suggest each and every limitation of the claim.

For all the foregoing reasons, the Applicant respectfully requests the Examiner to withdraw the rejections of independent Claim 24 pursuant to 35 U.S.C. § 102(e).

In conclusion, the Applicant believes that the above-identified application is in condition for allowance and henceforth respectfully solicits the Examiner to allow the application. If the Examiner believes a telephone conference might expedite the allowance of this application, the Applicant respectfully requests that the Examiner call the undersigned, Applicant's attorney, at the following telephone number: (516) 742-4343.

Respectfully submitted,



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